

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.2006 Sales by Teacher-Sponsored Student Organizations
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**TITLE 86: REVENUE
PART 130
RETAILERS' OCCUPATION TAX**

Section 130.2006 Sales by Teacher-Sponsored Student Organizations

- a) SALES BY TEACHER-SPONSORED STUDENT ORGANIZATIONS AFFILIATED WITH AN ELEMENTARY OR SECONDARY SCHOOL LOCATED IN ILLINOIS ARE EXEMPT FROM RETAILERS' OCCUPATION TAX. (Ill. Rev. Stat. 1983, ch. 120, par.441)
- b) "A teacher-sponsored student organization affiliated with a public elementary or secondary school" means an organization which collects and disburses monies as approved by the local Board of Education pursuant to the provisions of 23 Ill. Adm. 125. Such organizations would include student councils, student clubs, choral and band groups, etc. This particular exemption does not extend to sales by the school itself, a school bookstore, a faculty lounge, PTA, or any other entity which does not meet the requirements described above. Teacher-sponsored student organizations of private elementary or secondary schools not under the jurisdiction of the State Board of Education are similar organizations which must comply with procedures set by the school when expending funds.
- c) In order for student organizations to be allowed to purchase items for resale without paying tax to their suppliers, the school, school district or treasurer appointed by the local Board of Education must apply to the Department of Revenue for a reseller's certificate to be issued in the name of the school, school district or student activity fund. Suppliers selling to teacher-sponsored student organizations for resale must obtain a Certificate of Resale.
- d) Student organizations selling tangible personal property obtained under a Certificate of Resale need not file tax returns with respect to such sales. Also, there is no limitation on the amount of nor frequency of such sales.
- e) Purchases by teacher-sponsored student organizations of items for use or consumption by the organization or activity are subject to sales tax. Only items which are resold may be acquired without payment of tax. For example, if a qualified organization buys modeling clay for a purpose other than resale, it must pay sales tax on its purchase of the clay.

(Source: Amended at 10 Ill. Reg. 1937, effective January 10, 1986)